

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Special Support Staff

DATE: 22 June 1950

FROM : Management Officer

SUBJECT: Management Survey of Organization, Procedures and Workload of the Procurement and Supply Division, Special Support Staff

1. Scope of Survey

At the request of the Chief, Special Support Staff, the Management Staff has conducted a survey of the Procurement and Supply Division to analyse, evaluate and develop recommendations on the present organization and procedures employed. The study of procedures and workload measurements were conducted on the working level and discussed with the respective supervisors. To determine future requirements of the covert offices the management analyst during the course of the survey had discussions with Staff II of OPC and Staff B of OSO. To a lesser degree this matter of proprietary control of certain items of procurement and supply were discussed with the Administrative Staff.

2. Findings

a. The Procurement and Supply Division was established in the Special Support Staff by General Order [REDACTED], on October 5, 1949. Prior to that time the organization was a part of the Services Office, CIA and was utilizing the facilities of the Overt Services Division to much greater degree in furnishing procurement and supply services to the Covert offices. 25X1A

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b. General Order [REDACTED] provides that Procurement and Supply Division, SSS will conduct all procurement warehousing and shipment of supplies and equipment required for use in covert operations here and overseas, with the exception of office equipment and common use items.] The term "common use items" as spelled out in the statement of functions has caused some confusion as to whether Procurement and Supply Division or the Services Division, Administrative Staff should effect the procurement of certain items of equipment and supply. There ^{have been} a few procurement actions effected by Procurement and Supply Division that may be subject to challenge as the type of equipment which the Overt Services Division should have procured under the present statement of functions. However, P & S is charged with all procurement involving the use of confidential funds. To illustrate a case in point - OSO has approval to construct a radio station overseas, the use of confidential funds is authorized and accordingly the sum of money is obligated as unvouchered funds. Some supplies such as pipe, windows, housekeeping supplies etc, are required to complete the station. Unvouchered funds are authorized for the project, therefore, it appears that under present regulations P & S is entirely

within their rights in effecting procurement. However, the Administrative Staff will take the stand that they are common use items and should be procured through the Services Division. Management will clarify this matter in the new statement of functions to be issued for both the Administrative Staff and Special Support Staff.

c. With the issuance of General Order [REDACTED] a reduction was made in the table of organization of the Services Division and accordingly the positions were transferred to the Procurement and Supply Division, Special Support Staff.

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This action increased the T/O of Procurement and Supply Division from [REDACTED] positions. The increase included contracting officers, purchase clerks and [REDACTED] positions to operate the covert warehouse now under their jurisdiction.

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d. From discussions and studies it appears that the Procurement and Supply Division is rendering adequate supply and transportation services to support the covert operations, however there is much to be desired in improving the procedures and organization to provide the services with a ~~minimum~~ *to meet future requirements of OPC.*

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e. The supply, storage and shipping requirements of OPC are being discussed with appropriate officers, however, there is an urgent need for the planning on the part of Procurement and Supply Division for the necessary facilities prior to the full impact of OPC requirements which are summarized as follows:

(1) OPC's Research and Development program is of considerable magnitude in comparison with our present procurement and warehouse operations. It is not certain at this time as to how or where this program would be conducted. OPC representatives have stated to the Management Analyst that as of now they expect the Procurement and Supply Division to negotiate contracts with private engineering firms for the development of their special items of equipment and supplies. It is proposed that production contracts would be let by the engineering firms to sub-contractors. A representative OPC indicated that the Armed Services were not keen to the idea of handling this program on a reimburseable basis since the majority of the items are unconventional military weapons. If the contracting for research, development, production and storage of these items is to be handled by Procurement and Supply there are many apparent security factors which must be given immediate attention.

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